

**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**NATION BUILDING TAX (AMENDMENT) ACT, No. 20 OF 2019**

**[Certified on 31st of October, 2019]**

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| *Nation Building Tax (Amendment)* | 1 |

*Act, No. 20 of 2019*

[Certified on 31st of October, 2019]

L.D.—O. 9/2019

AN ACTTOAMENDTHE NATION BUILDING TAX ACT, NO. 9 OF 2009

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

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| **1.** | This Act may be cited as the Nation Building Tax | Short title and date of  operation. |
| (Amendment) Act, No. 20 of 2019, and shall be deemed to have come into operation on November 1, 2019, unless | |

different dates of operation are specified hereunder.

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| **2.** | Section 3 of the Nation Building Tax Act, No. 9 of | Amendment of section 3 of Act, No. 9 of 2009. |
| 2009 (hereinafter referred to as the “principal enactment”) as last amended by Act, No. 20 of 2018, is hereby further | |

amended in subparagraph (12) of paragraph (iv) of subsection (2), by the substitution for the words “importer himself.; and”, of the words and figures “importer himself, prior to November 1, 2019 ; and”.

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| **3.** | Section 8 of the principal enactment is hereby | | Replacement of section 8 of the principal  enactment. |
| repealed and the following new section is substituted therefor:— | | |
| “Certain | 8. (1) The provisions in sections 106, 107, | |
| provisions of the Inland  Revenue Act to apply. | | 108 and 112 of Chapter XII relating to Returns etc, Chapter XXII relating to Assessments, Chapter XXIII relating to Appeals, Chapter |

XXIV relating to Finalty of Assessments and   
Penalty for Incorrect Returns, Chapter XXV   
relating to Tax in Default and Sums Added   
Thereto, Chapter XXVI relating to Recovery   
of Tax, Chapter XXVII relating to   
Miscellaneous, Chapter XXIX relating to   
Penalties and Offences, Section 209 of Chapter

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XXX relating to Administration and Chapter   
XXXI on General matters, of the Inland Revenue   
Act, No. 10 of 2006, shall *mutatis muandis*   
apply to the furnishing of returns, assessments,   
appeal against assessments, finality of   
assessments and penalty for incorrect returns,   
tax in default and sums added thereto, recovery   
of tax, miscellaneous, penalties and offences,   
administration and general metters under this   
Act, for the period prior to April 1, 2018.

(2) The provisions in Chapter IX, X, XI, XII,   
XIII, XV, XVI, XVII, XVIII and XIX of the   
Inland Revenue Act, No. 24 of 2017 relating   
to Administration, Record Keeping and   
Information Collection, Tax Returns,   
Assessments, Objection and Appeals, Interest,   
recovery of Tax, Penalties, Criminal   
Proceedings and Regulations, respectively   
shall *mutatis mutandis* apply to administration,   
record keeping and information collection, tax   
returns assessements, objection and appeals,   
interest, recovery of tax, penalties, criminal   
proceedings and regulations, respectively   
under this Act, for any period commencing on   
or after April 1, 2018, subject to provisions of   
subsection (3).

(3) Provisions of precceding subsections (1)   
and (2) shall apply subject to following   
modifications:—

(*a*) every reference to the year of assessment   
 in any such provision of the Inland   
 Revenue Act, shall be deemed to be a   
 reference to the “relevant quarter” in   
 this Act;

(*b*) every reference to assessable income or   
 taxable income in any such provision

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of the Inland Revenue Act, shall be   
deemed to be a reference to the “liable   
turnover” in this Act;

(*c*) every reference to income tax in any   
 such provision of the Inland Revenue   
 Act, shall be deemed to be a reference   
 to the tax charged and levied in terms   
 of the provisions of this Act;

(*d*) return for any relevant quarter under this   
 Act shall be furnished on or before the

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| twentieth | day | of | the | month |

commencing immediately after the   
expiry of such quater; and

(*e*) no assessment or additional assessment   
 shall be made under this Act in respect   
 of any person—

(i) who has furnished a return for the   
 relevant quarter in the year of   
 assessment on or before the date   
 referred to in paragraph (*d*) of this   
 subsection, after the expiry of   
 eighteen months for any period   
 prior to April 1, 2018 and after   
 the expiry of thirty months for   
 any period commencing on or   
 after April 1, 2018 from the   
 thirtieth day of November of the   
 year of assessment immediately   
 succeeding the year of assessment   
 in which such relevant quarter   
 falls; or

(ii) who has failed to furnish a return   
 on or before such date as is   
 referred to in paragraph (*d*) of   
 this subsection, after the expiry

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of four years from the thirtieth   
day of November of the year   
of assessment immediately   
succeeding the year of assessment   
within which such relevant   
quarter falls.”.

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| Amendment of  section 10 of the principal  enactment. | **4.** | Section 10 of the principal enactment as last amended |
| by Act, No. 12 of 2015 is further amended by the repeal of the definition of expression “Inland Revenue Act” and substitute therefor of the following new definition:— | |

“ “Inland Revenue Act” means—

(i) for any period prior to April 1, 2018, the   
 Inland Revenue Act, No. 10 of 2006; and

(ii) for any period on or after April 1, 2018,   
 the Inland Revenue Act, No. 24 of 2017;”.

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| Amendment of the First  Schedule to the principal  enactment. | **5.** | The First Schedule to the principal enactment as last |
| amended by Act, No. 20 of 2018 is hereby further amended as follows:— | |
| (1) | in PART I of that Schedule— |

(*a*) in item (XLIX) thereof, by the substitution   
for the words “cigarettes identified”, of the   
words and figures “for any period   
commencing prior to November 1, 2019,   
cigarettes identified”;

(*b*) by the substitution for item (LIV) thereof,   
 of the following item:—

“(LIV) importation of gem stones by a   
person registered with the   
National Gem and Jewellery   
Authority, for the purpose of

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re-exporting such gems upon   
being cut and polished and if the   
payment for such service of cut   
and polish is made in foreign   
currency and remitted to   
Sri Lanka through a bank;”;

(*c*) in item (LV) thereof, by the substitution   
for the words “the subject of Agriculture.”,   
of the words “the subject of Agriculture;”;

(*d*) by the insertion immediately after item   
(LV) thereof, of the following new items:-

“(LVI) palm oil manufactured locally   
 out of imported crude palm oil   
 or imported palm olein   
 subjected to the Special   
 Commodity Levy charged   
 under the Special Commodity   
 Levy Act, No. 48 of 2007;

(LVII) importation of Lucerne (alfalfa)   
 meal and pellets;

(LVIII) importation of yachts and other   
 vessels for pleasure or sports,   
 rowing boats and canvas as   
 classified under the Harmonized   
 Commodity Description and   
 Coding Numbers 8903.91.00;   
 and

(LIX) importation of any project   
 related article by an enterprise   
 which has entered into an   
 agreement with the Board of   
 Investment of Sri Lanka under   
 section 17 of the Board of

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Investment of Sri Lanka Law,   
No. 4 of 1978, for the use in any   
project of such enterprise   
having a capital investment of   
not less than fifty million   
United States Dollars during the   
project implementation period   
and prior to the commencement   
of commercial operations.”.

(2) in PART II of that Schedule—

(*a*) in item (vii) thereof—

(i) in paragraph (*c*), by the substitution   
for the words “a construction   
contractor or a sub-contractor”, of the   
following:—

“a construction contractor or a   
 sub-contractor; or”;

(ii) by the insertion immediately after   
paragraph (*c*) thereof, of the   
following:—

“(*d*) on or after November 1,   
2019, of a construction   
contractor or a sub-  
contractor;” and

(*b*) by the substitution for item (xii) thereof,   
 of the following item:—

“(xii) services provided by a hotel, guest   
house, restaurant or other similar   
business—

(*a*) prior to January 1, 2011;   
 or

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(*b*) on or after November 1,

2019, where the payment

for such service is received

in foreign currency

through a bank in

Sri Lanka,

where such hotel, guest house,

restaurant or other similar business

is registered with the Ceylon

Tourist Board;”.

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| **6**. | In the event of any inconsistency between the Sinhala | Sinhala text to  prevail in case  of inconsistency. |
| and Tamil texts of this Act, the Sinhala text shall prevail. | |

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